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Prairie Employer Review

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Postwar Baby Boom Creates Shifts in '80s Labor Supply

A Bureau of Labor Statistics forecast stated in 1974 that "about 1978 and continuing into the 1980s" the national economy would encounter a "rather sharp slowdown in economic growth." That slowdown was not anticipated because bureau analysts were able to predict further oil price shocks, high inflation and interest rates. Rather, their forecast was based on the knowledge that all of the people who could be in the labor force during the 1980s were already born.

A 1979 regional study by the Upper Midwest Council suggested that the economic growth of the 1970s could not be sustained through the 1980s because the labor supply would dramatically slow its rate of growth. The study suggested ". . .the Upper Midwest states will be in competition with the rest of the nation (and likely with each other) to retain their home grown labor force. . ." As 1980 Census data begins to trickle in, and as certain national Current Population Survey information becomes available, a clearer understanding will be gained of the population and labor force change already occurring.

From 1975 to 1980, the number of people in the state between the age of 15 and 64 grew at a rate of 4,600 or 1.2 percent per year. A recent study indicates as of 1980, nearly everyone 16 to 64 years old, except middle-aged women, is already in the labor force. Thus, population changes inevitably mean parallel change also takes place in the labor supply.

Assuming migration rates remain constant, this same group will only grow 0.4 percent or by 1,740 persons annually from 1980 to 1985. This slowing rate of increase, which is one-third the rate of the late '70s, is far less radical than the degree of change currently going on within particular age segments.

As the generation now in school matures and enters the job market, dramatic changes may take place in the skills and work experience of the state's labor force.

North Dakota's youth now in the ages of 15-24 represent the mid-point of the post World War II baby boom generation. As they grow older and move into the 25-44 age group, substantial change in the population will result. The most middle-of-the-road forecast indicates the number of persons between 15-24 will decline by 3.3 percent from 1980 to 1985. As the postwar generation matures, individuals aged 25-44 will increase at a rate of 4.2 percent per year. In other words, during 1980-1985, the number of youth will drop while the population between 25-44 will rise.

The effects of the present population shift are varied and largely unknowable because of the mid-stride nature of analyzing factors still in the process of change. For example, analysts in the Bureau of Labor Statistics suggest that a slowdown in labor force growth acts as a constraint on economic growth. On the other hand, other researchers believe that as the baby boom generation matures, its level of work experience grows and productivity increases. One could conclude that the demographic change now evolving has both a positive and negative impact on economic growth.

The generation aged 15-24 goes to school and lives with its parents. Those aged 25-44, on the other hand, have concrete expectations about establishing households, home purchase, child bearing and rearing, and work related income. From 1980 to 1985, our population will become one no longer dominated by the young, but by the middle-aged.

Part of what it means to be middle-aged is to have a job and income suiting that status in life. National rates in 1980 show 20.3 percent of those in the 25-44 age group hold jobs as professionals, 17.9 percent are in clerical occupations, 13.8 per-

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Retailers Look to a Merrier Christmas

Christmas sales should bring 1981 to a happy ending if you respect the concensus of many North Dakota retailers, whose perennial optimism on holiday business is tempered this year by a conservative note.

Recently, several shopping mall managers, small store merchants, department store managers, and local chamber of commerce officials gave their predictions on how business would develop in the following weeks. Everyone had a positive outlook to report. Just the same, many claimed local and national economic conditions, consumer spending trends, the particular type of business owned, and the owner's management experience are all part of the complex mix that will really determine whether or not a merchant makes good this December.

Comments range from, "No matter what the economy looks like, Christmas is always good; but we're stocking much heavier than last year," and "We didn't load our shelves full, so I'd say I'm cautiously optimistic," to "Last Christmas had the worst retail sales in the whole decade for many of our stores. It can't help but get better."

Inventories are the best indicators of what business owners plan in sales. A few said their stores are expecting the same percentage of sales as last Christmas and have stabilized their stocks accordingly. The vast majority believed a gradual increase in total sales during the previous three quarters, plus a shared mood between sellers and the buying public that "things are getting better," means bigger and better-than-ever inventories.

While current fashion fads and luxury gift items are finding healthy markets, retailers feel economic belt-tightening has turned consumers into more practical, dollar-conscious buyers.

"Consumers are becoming very wise shoppers, careful in what they buy and comparing values more so than, say, two years ago," stated Jim Eddy, general manager of Norby's in Fargo's West Acres Regional Shopping Center. Eddy predicts heavier sales in basic ready-to-wear clothing and energy saving devices, "although people still like to buy status items such as designer jeans and fashion accessories."

Robin Fink, part owner of Young America, Inc. in Minot, said her clothing stock is geared to consumers looking for classic, longer wearing styles. "As a small, local oriented business, we can't afford to get too faddish. The economy and conservative buying habits of Minot shoppers would make that too costly." Women's clothing, she added, is selling better than men's.

Woolco in Bismarck has a greater demand for clothing, according to general manager Emil Sandmeier, but big ticket items such as TVs and other household appliances are harder to sell. His experience reflects that of several discount department stores, which are drawing increased shopper traffic for practical, less expensive sundries.

Other merchants are happy to see the demand for more expensive gift items going strong. Virginia Nelson of Yes, Virginia, a specialty gift shop in Bismarck, is enthused because "business is better than ever. People aren't pushing bargain sales on us when buying luxury items. There's a certain snob appeal built into these types of gifts." For Voeller's Furniture in Minot, accessory items such as lamps and rocking chairs are selling well.

Dickinson's energy enriched economy has resulted in consumers buying heavily across-the-board, summarized Bob Heinz of the local chamber of commerce, who did a survey of retailers in the area. Heinz also observed that store owners were noting a demand for baby clothes and toys because of the influx of young families, and higher sales in recreational items such as video games and sports equipment, "because residents here do not have some of the recreational facilities available in larger cities."

The fact that Dickinson and other western towns are being revitalized by energy development illustrates how trade is affected by local as well as national business conditions. Retailers in Grand Forks and Fargo are more agriculturally dependent, while centralized trade areas such as Minot and Bismarck are influenced by both the energy industry and local farm economies.

"We've been blessed with a good crop year, so the stores are much more optimistic this season," said Fred Anderson, general manager at West Acres.

Neal Smith, manager of the South Forks Plaza in Grand Forks, added, "We count on agriculture, not energy, for business growth in the eastern part of the state. That's fine, because there are more turns in the ag dollar, and profits remain here — locally." Both managers felt, however, it would be premature to expect a substantial increase in the rural oriented sales this season. Farmers are still plagued with

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money problems from a tough commodity market and high interest loans.

While an attitude prevailed among many of them that downtown business districts would be fortunate to hold their own this year, even with increased holiday sales, Virginia Nelson, president of the Bismarck Downtowner's Association, contradicted that view.

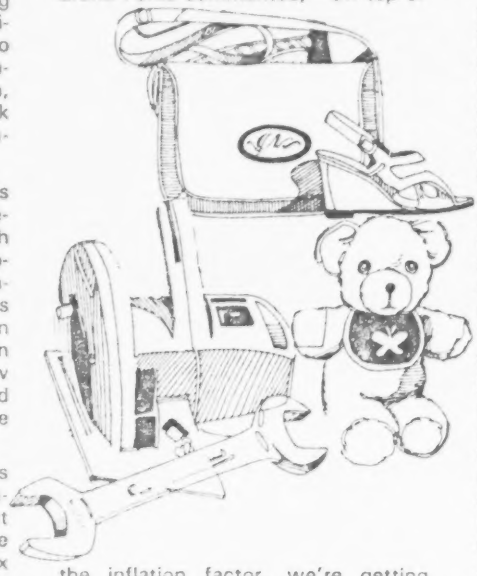
"I think the exodus is over in this area," she stated. "The stores remaining are well-established, with many having generations of customers to rely on. I didn't hear any complaints about last season and it looks pretty good again this year." Nelson voiced an opinion held by retailers in Minot and Bismarck that a new growth in energy business and workers has definitely improved the business climate.

The optimism of those surveyed was based more on stable or gradually increasing sales volume throughout 1981, than on their sales experience last year. Data from the State Tax Department indicate taxable sales and purchases for wholesale and retail trade during the last quarter of 1980 did increase by 8 percent. Nevertheless, the economic difficulties experienced that year are evident when considering figures for that same quarter in 1979 showed an 18 percent increase, with 1978 having a 16.8 percent growth.

Taking into account the idea that their optimism is also based on crystal ball gazing, recent information on future buyer trends helps brighten the picture. Chase Econometrics, a national economic forecasting service, predicts consumer expenditures in North Dakota for the last quarter of 1981 will grow about 10 percent over the previous year.

The hidden catch in these figures is inflation. Most retailers are experiencing higher sales, but inflationary wholesale prices have taken a whallop out of the profit end, with market competition making it difficult to pass the increase on in purchase prices. "At least 75 percent of our stores had increased sales last year, but few saw much above the inflation increases," noted Eileen Dahl, general manager of the Kirkwood Shopping Mall in Bismarck.

One department store manager in Grand Forks commented, "On top of



the inflation factor, we're getting over-retailed in Grand Forks. It's a problem for businesses in many of the larger cities, especially in expanding shopping malls. Our profit margins are being squeezed because we have to keep our prices competitive, particularly in view of conservative consumer spending."

If retailers are planning for a healthy business this Christmas, they are not dramatically increasing promotional advetising or the traditional use of added temporary help. Most businesses said they were increasing their staff by the same number as last season; a few noted they were simply streamlining by giving more hours to current part-time help. Job Service figures estimate the retail trade industry will experience its seasonal employment increase during the last quarter, but it will be below the 1980 level.

With all the complex factors that will influence business during the last two months of 1981, retailers seem to rely most on personal judgment, based on their own experiences with customers walking through their doors. "The doom and gloom attitude that used to predominate seems to be dissipating," concluded Anderson.

"There is a better psychological attitude among consumers today," Dahl also noted. "Even though our problems aren't completely over, there is an optimism in the air."

PRAIRIE EMPLOYER REVIEW

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JOB SERVICE North Dakota

Tax Credit is Same Good Game With Some New Rules

Private employers are getting another chance to take advantage of a tax credit that allows savings on wages paid to certain new employees. A one year extension was granted for the Targeted Jobs Tax Credit program under the Economic Recovery Tax Act of 1981, and applies to workers hired before January 1, 1983.

Interested taxpayers will want to know of some new rules that apply to the elective credit, according to Dennis Mock of Job Service North Dakota, coordinator of the state's TJTC program. "Now, employers must request the certification prior to the worker's employment starting date," Mock emphasized. "The request should be in writing, and may be in the form of a letter, or the submission of a voucher that Job Service previously issued to the perspective employee."

All private employers engaged in trade or business can apply if they hire workers in one of the following groups: low income Vietnam-era veterans, handicapped, economically disadvantaged youth aged 18-24, persons on supplemental security income, low income youth in cooperative education programs, ex-convicts who are economically disadvantaged, certain welfare recipients, and involuntarily terminated CETA employees.

"Employers can contact their local Job Service office or the state office in Bismarck," stated Mock. "We'll determine for them whether or not the person is eligible. Also, when placing a job order with us, they can specify that we refer TJTC eligible applicants."

Last year, about 1,000 workers in North Dakota qualified their employers for the tax credit. "It's a good deal for business owners, who can claim credit up to 90 percent of their federal income tax liability after other deductions, and encourages the hiring of workers into gainful employment," says Mock.

Technical regulations and a schedule to submit on the tax credit can be obtained from an Internal Revenue Service office.

State per capita personal income in 1980 rangeo from $12,406 in Alaska and $11,445 in Connecticut down to $6,508 in Mississippi. The United States Department of Commerce did the study noting the United States average was $9,458 compared to $8,757 in 1979.

North Dakota's per capita income was $8,556 or $902 under the national average. . .that puts us 33rd in the nation but we're catching up. . .our income in 1970 was $3,077 or 79 percent of the national average. . .our '80 income is 90 percent of the national average and our present increase from '70 to '80 was 178.1 percent. . .the only state with a higher percentage increase was Wyoming. How about our neighbors. . .? Minnesota ranks 17th with an income of $9,519. . .Montana is 34th at $8,445. . .South Dakota ranks 48th at $7,452.

An increase in income doesn't mean much until it's compared to the cost of living.

Arizona recently did an interesting study comparing the cost of goods to the hours worked to acquire them. The study compared average wages in 1950. . .$1.46 per hour to 1980 . . .$7.22. Gross earnings were used to compute the length of time required to purchase each item.

	A Worker Would Have To Work For —	
To Buy This —	1950	1980
New Car	38 weeks	20 weeks
Refrigerator	154 hours	55 hours
Electric Range	140 hours	47 hours
Lawn Mower	58 hours	31 hours
Vacuum Cleaner	45 hours	29 hours
Man's Suit	27 hours	14 hours
Iron	7 hours	3 hours
Woman's Dress	7 hours	3 hours
House Paint —	3 hours	2 hours
Sport Shirt	2½ hours	2⅓ hours
Bacon — 3 lbs	35 minutes	40 minutes
Coffee — 1 lb	30 minutes	23 minutes
Eggs — 1 dozen	22 minutes	6 minutes
Ham — 1 lb	20 minutes	16 minutes
American Cheese — 1 lb	19 minutes	12 minutes

(BABY BOOM from page 1)

cent are in craft and kindred work such as carpentry, and 12.2 percent hold management and administrative positions. These jobs connote different levels of prestige, pride, and earnings to which youth can choose to aspire.

Yough ages 16-24, in contrast, hold primarily clerical jobs, work in service jobs such as food service, as operatives or laborers, and in craft occupations. At the lowest point in their earnings careers, youth aspire to occupational role models often quite different from their current work experience. How the postwar baby boom generation competes for jobs typically sought after by those now 25-44 years old will likely draw as much public attention to the functioning of the labor market as interest rates serve to draw attention to financial markets.

A maturing baby boom generation also seems destined to create a labor shortage in certain occupational areas. For example, individuals aged 16-24 provide 40 percent of the national supply of farm labor, and 43.5 percent of the labor jobs in construction and manufacturing occupations. About one-third of the jobs in service occupations, and a fifth or more in sales, clerical, and transportation fields are held by youth. With 78.4 percent of North Dakota's population aged 16-24 in the labor force, a population decrease of 20,000 between 1980 and 1985 will have a visible impact on the labor supply in certain low-skill occupations.

It's important to note that the decrease in numbers among those aged 15-24 is expected to decline to a 2.2 percent annual rate between 1985 and 1990. Therefore, the most pronounced change in the state's population structure is happening right now — during the first half of the decade.

U.S. CONSUMER PRICE INDEX
ALL URBAN CONSUMERS

(1967 = 100)	Annual Average 1980	Sept. 1981	Aug. 1981	Sept. 1980	Percent Change from Aug. 1981	Percent Change from Sept. 1980	Percent Change Projected on Annual Basis
All Items	246.8	279.3	276.5	251.7	1.0	11.0	12.7
Food & Beverage	248.0	270.7	270.1	254.2	0.2	6.5	2.4
Housing	263.3	303.7	299.7	267.7	1.3	13.4	16.8
Apparel and Upkeep	178.4	190.7	187.4	182.2	1.8	4.7	23.9
Transportation	249.7	285.2	283.7	254.7	0.5	12.0	6.2
Medical Care	265.9	301.7	299.3	270.6	0.8	11.5	10.0
Entertainment	205.3	224.0	222.3	209.8	0.8	6.8	10.0

CIVILIAN LABOR FORCE

	Sept. 1981	Aug. 1981	Sept. 1980	Percent Change from Aug. 1981	Percent Change from Sept. 1980
UNITED STATES (In Thousands)					
Labor Force	106,236	106,601	104,980	−0.3	1.2
Employment	98,270	98,944	97,180	−0.7	1.1
Unemployment	7,966	7,657	7,800	4.0	2.1
Unemployment Rate	7.5	7.2	7.4		
NORTH DAKOTA					
Labor Force	343,070	361,340	342,040	−5.1	0.3
Employment	330,750	347,150	327,220	−4.7	1.1
Unemployment	12,320	14,190	14,820	−13.2	−16.9
Unemployment Rate	3.6	3.9	4.3		
FARGO-MOORHEAD SMSA					
Labor Force	73,160	75,050	73,160	−2.5	-0-
Employment	70,270	71,710	69,910	−2.0	0.5
Unemployment	2,890	3,340	3,250	−13.5	−11.1
Unemployment Rate	4.0	4.5	4.4		
GRAND FORKS SMSA					
Labor Force	42,850	44,100	43,300	−2.8	−1.0
Employment	40,920	41,730	40,950	−1.9	−0.1
Unemployment	1,930	2,370	2,350	−18.6	−17.9
Unemployment Rate	4.5	5.4	5.4		

U.S. data seasonally adjusted; other data not seasonally adjusted.

NONFARM WAGE AND SALARY EMPLOYMENT

	Sept. 1981	Aug. 1981	Sept. 1980	Percent Change from Aug. 1981	Percent Change from Sept. 1980
FARGO-MOORHEAD SMSA WAGE AND SALARY EMPLOYMENT					
TOTAL	**61,820**	**61,990**	**61,840**	**−0.3**	**-0-**
Construction and Mining	3,980	4,130	4,390	−3.6	−9.3
Manufacturing	4,160	4,940	4,580	−15.8	−9.2
Durable Goods	1,990	2,390	2,160	−16.7	−7.9
Nondurable Goods	2,170	2,550	2,420	−14.9	−10.3
Food and Kindred Products	1,450	1,830	1,690	−20.8	−14.2
Other Nondurable Goods	720	720	730	-0-	−1.4
Transportation, Comm. and Public Utilities	3,930	3,890	3,990	1.0	−1.5
Wholesale Trade	6,350	6,970	6,260	−8.9	1.4
Retail Trade	12,930	12,740	12,780	1.5	1.2
Finance, Insurance, and Real Estate	3,760	3,790	3,750	−0.8	0.3
Services	13,890	13,900	13,330	−0.1	4.2
Government	12,820	11,630	12,760	10.2	0.5
Federal	2,130	2,140	2,120	−0.5	0.5
State and Local	10,690	9,490	10,640	12.6	0.5
GRAND FORKS SMSA WAGE AND SALARY EMPLOYMENT					
TOTAL	**36,520**	**36,350**	**36,410**	**0.5**	**0.3**
Construction and Mining	2,060	2,200	2,190	−6.4	−5.9
Manufacturing	1,760	2,070	1,890	−15.0	−6.9
Transportation, Comm. and Public Utilities	2,750	2,630	2,720	4.6	1.1
Wholesale Trade	2,220	2,330	2,200	−4.7	0.9
Retail Trade	8,190	8,090	8,390	1.2	−2.4
Finance, Insurance, and Real Estate	1,610	1,610	1,580	-0-	1.9
Services	7,620	7,480	7,430	1.9	2.6
Government	10,310	9,940	10,010	3.7	3.0

MANUFACTURING HOURS AND EARNINGS

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Sept. 1981	Aug. 1981	Sept. 1980	Sept. 1981	Aug. 1981	Sept. 1980	Sept. 1981	Aug. 1981	Sept. 1980
United States									
Total Manufacturing	320.30	319.20	294.57	39.3	39.8	39.7	8.15	8.02	7.42
Durable	343.73	344.51	318.79	39.6	40.2	40.2	8.68	8.57	7.93
Nondurable	287.82	285.26	261.58	39.0	39.4	39.1	7.38	7.24	6.69
Food & Kindred	299.44	300.00	279.28	39.4	40.0	40.3	7.60	7.50	6.93
Printing & Publishing	316.88	310.13	288.33	37.5	37.5	37.3	8.45	8.27	7.73
North Dakota									
Total Manufacturing	270.72	280.32	263.81	37.6	38.4	38.4	7.20	7.30	6.87
Durable	278.48	297.40	267.72	38.2	39.6	38.8	7.29	7.51	6.90
Nondurable	263.41	263.00	259.24	37.1	37.2	37.9	7.10	7.07	6.84
Food & Kindred	270.51	278.64	276.01	38.1	38.7	39.6	7.10	7.20	6.97
Printing & Publishing	226.24	223.09	214.37	32.6	33.1	33.6	6.94	6.74	6.38
Fargo-Moorhead SMSA									
Total Manufacturing	290.32	313.34	283.71	38.0	40.8	38.6	7.64	7.68	7.35
Durable	294.52	335.38	290.29	38.6	41.1	37.7	7.63	8.16	7.70
Nondurable	285.35	289.98	276.90	37.3	40.5	39.5	7.65	7.16	7.01

ESTIMATED LABOR TURNOVER

(per hundred employees)

Accession Rates

	Total			New Hires			Recalls		
	Sept. 1981	Aug. 1981	Sept. 1980	Sept. 1981	Aug. 1981	Sept. 1980	Sept. 1981	Aug. 1981	Sept. 1980
North Dakota									
Mining	9.9	9.9	4.1	9.5	9.2	4.1	0.3	0.6	0.0
Manufacturing	8.6	4.6	5.2	5.7	3.1	2.9	2.7	1.3	2.1
Fargo-Moorhead SMSA									
Manufacturing	6.5	3.1	2.5	5.0	1.9	1.2	0.7	1.4	0.9

Separation Rates

	Total			Quits			Layoffs		
	Sept. 1981	Aug. 1981	Sept. 1980	Sept. 1981	Aug. 1981	Sept. 1980	Sept. 1981	Aug. 1981	Sept. 1980
North Dakota									
Mining	12.4	16.1	3.5	9.8	12.8	2.4	0.1	0.3	0.0
Manufacturing	5.5	4.8	4.5	3.0	3.7	2.1	1.8	0.4	1.7
Fargo-Moorhead SMSA									
Manufacturing	5.2	3.4	4.3	2.7	2.4	1.9	1.6	0.1	1.0

NORTH DAKOTA
NONFARM WAGE AND SALARY EMPLOYMENT

	Sept. 1981	Aug. 1981	Sept. 1980	Percent Change from Aug. 1981	Percent Change from Sept. 1980
TOTAL	**250,500**	**249,010**	**247,300**	**0.6**	**1.3**
MINING	**10,800**	**10,840**	**8,720**	-0.4	23.9
Coal	1,270	1,290	1,200	-1.6	5.8
Crude Petroleum and Natural Gas	9,170	9,180	7,170	-0.1	27.9
Other Mining	360	370	350	-2.7	2.9
CONSTRUCTION	**17,460**	**17,140**	**18,140**	**1.9**	**-3.7**
Building Construction	4,290	4,320	4,460	-0.7	-3.8
Street, Highway and Heavy Construction	5,560	5,060	5,450	9.9	2.0
Special Trade Construction	7,610	7,760	8,230	-1.9	-7.5
MANUFACTURING	**14,880**	**15,390**	**14,470**	**-3.3**	**2.8**
Durable Goods	7,170	7,640	7,180	-6.2	-0.1
Stone, Clay and Glass	990	1,020	1,080	-2.9	-8.3
Primary and Fabricated Metals	680	710	680	-4.2	-0-
Machinery and Transportation Equipment	4,610	5,020	4,550	-8.2	1.3
Other Durable Goods	890	890	870	-0-	2.3
Nondurable Goods	7,710	7,750	7,290	-0.5	5.8
Food and Kindred Products	3,820	3,800	3,640	0.5	4.9
Dairy Products	890	950	860	-6.3	3.5
Food Specialties, Sugar and Confectionery Products	1,220	1,140	1,050	7.0	16.2
Bakery Products	400	410	430	-2.4	-7.0
Other Food and Kindred Products	1,310	1,300	1,300	0.8	0.8
Printing and Publishing	2,180	2,180	2,130	-0-	2.3
Other Nondurable Goods	1,710	1,770	1,520	-3.4	12.5
TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES	**16,830**	**16,710**	**16,890**	**0.7**	**-0.4**
Transportation	9,010	8,740	9,060	3.1	-0.6
Railroads	3,250	3,250	3,430	-0-	-5.2
Trucking and Warehousing	4,340	4,230	4,250	2.6	2.1
Other Transportation	1,420	1,260	1,380	12.7	2.9
Communications	3,780	3,820	3,910	-1.0	-3.3
Public Utilities	4,040	4,150	3,920	-2.7	3.1
WHOLESALE TRADE	**20,440**	**21,180**	**20,360**	**-3.5**	**0.4**
Durable Goods	10,480	10,770	10,560	-2.7	-0.8
Nondurable Goods	9,960	10,410	9,800	-4.3	1.6
RETAIL TRADE	**46,900**	**46,960**	**47,500**	**-0.1**	**-1.3**
General Merchandise	6,090	6,070	6,090	0.3	-0-
Food Stores	6,380	6,360	6,440	0.3	-0.9
Automotive Dealers and Service Stations	6,300	6,370	6,530	-1.1	-3.5
Apparel and Accessory Stores	2,920	2,910	2,960	0.3	-1.4
Other Retail	25,210	25,250	25,480	-0.2	-1.1
FINANCE, INSURANCE, AND REAL ESTATE	**11,980**	**12,000**	**11,470**	**-0.2**	**4.4**
Finance	6,490	6,500	6,130	-0.2	5.9
Banking	4,350	4,380	4,170	-0.7	4.3
Other Finance	2,140	2,120	1,960	0.9	9.2
Insurance	3,530	3,520	3,460	0.3	2.0
Real Estate	1,960	1,980	1,880	-1.0	4.3
SERVICES	**51,760**	**51,640**	**49,780**	**0.2**	**4.0**
Lodging	4,870	4,840	4,560	0.6	6.8
Nursing and Personal Care	5,590	5,670	5,350	-1.4	4.5
Hospitals	12,180	12,280	11,670	-0.8	4.4
Other Medical	4,990	5,020	4,770	-0.6	4.6
Other Services	24,130	23,830	23,430	1.3	3.0
GOVERNMENT	**59,450**	**57,150**	**59,970**	**4.0**	**-0.9**
Federal Government	9,340	9,480	9,590	-1.5	-2.6
State Government	16,050	15,560	16,090	3.1	-0.2
Educational Services	9,790	8,930	9,920	9.6	-1.3
Other State Government	6,260	6,630	6,170	-5.6	1.5
Local Government	34,060	32,110	34,290	6.1	-0.7
Educational Services	16,180	13,250	16,020	22.1	1.0
Other Local Government	17,880	18,860	18,270	-5.2	-2.1

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PRODUCER PRICE INDEX UNITED STATES AVERAGE

(1967 = 100)	Annual Average 1980	Sept. 1981	Aug. 1981	Sept. 1980	Percentage Change from Aug. 1981	Percentage Change from Sept. 1980
All Commodities	268.6	295.5	296.2	274.6	−0.2	7.6
Farm Products and Processed Foods and Feeds	244.6	250.0	253.9	256.5	−1.5	−2.5
Industrial Commodities	274.5	307.2	307.0	278.8	0.1	10.2

GLOSSARY OF TERMS

Civilian Labor Force—number of persons 16 years and older defined as employed or unemployed, excluding members of the Armed Forces.

Consumer Price Index (CPI)—a measure of the average change in prices over a period of time in a fixed market basket of goods and services. Changes are usually expressed in percentages. The following example illustrates the method used to calculate the percentage change using 211.5 as the "current index" and 209.1 as the "previous index":

Current index	211.5
Less previous index	209.1
Equals	2.4
Divide by the previous index	209.1
Equals	.011
Results multiplied by one hundred	.011x100
Equals percentage change	1.1

Covered Employment—employment that falls under coverage of the North Dakota Unemployment Compensation Law. At the present time only agriculture, the self-employed, students working for educational institutions, religious organizations, fully commissioned salesmen, and elected and appointed officials have significant numbers of non-covered workers.

Employed—those persons working for pay or profit during a week, or unpaid family workers working 15 hours or more during a week. Also included are those who, although not working, had some job attachment and were **not** looking for work. This involves persons temporarily absent from a job due to illness, bad weather, vacation or labor-management dispute, whether or not they were in a pay status during their time off.

Insured Unemployment—a count of persons who have filed claims for state job insurance benefits. An accurate comparison of data for the insured unemployed cannot be made if one period of time is prior to July 1, 1979, and the second period is after that date. This is due to the change in eligibility requirements mandated by the state legislature effective July 1, 1979.

Nonfarm Wage and Salary Employment-Establishment Data—refers to the number of jobs held rather than the number of people employed.

"**p**"—preliminary estimates subject to revision.

Producer Price Index (PPI)—measures average changes in prices received in primary markets of the United States by commodity producers in all stages of processing. These changes are usually expressed in percentages. The method of calculation is the same as used for the Consumer Price Index (See item 2).

Seasonally Adjusted Labor Force Series—to assist in evaluating the labor force, recurrent yearly employment and unemployment movements have been isolated and removed by the Bureau of Labor Statistics though a seasonal factor method.

Standard Metropolitan Statistical Area (SMSA)—(a) an area designated by the Office of Management and Budget with a central city of at least 50,000 inhabitants; or (b) a central city of at least 25,000 inhabitants but with a minimum of at least 50,000 when combined with adjacent populated areas, provided the county or counties in which the city and adjacent areas are located have a population of at least 75,000.

Unemployment—the number of persons who for an entire week did not work at all, were able to work and available for work, and (1) were looking for work or (2) would have looked for work except that (a) they were waiting to return to a job from which they had been laid off; or (b) they were waiting to report to a new wage and salary job scheduled to start within the following 30 days (and were not in school during the week).

Unemployment Rate—the number of unemployed expressed as a percent of the civilian labor force.

Prairie Employer Review

Volume 3, Number 12 December, 1981

ND in Top Ten States For Its Small Business Climate

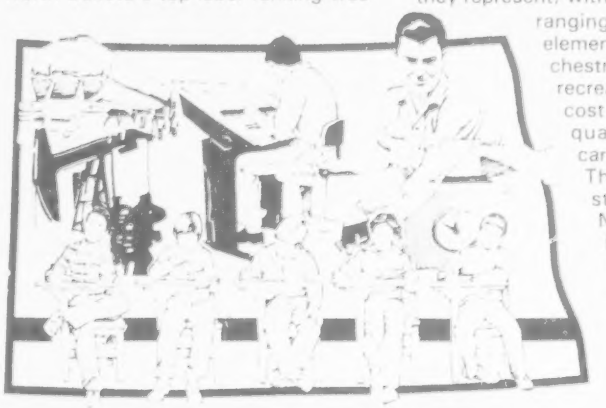
North Dakota gets high honors for its healthy small business climate, according to a special report in the October 1981 issue of the national magazine, **Inc.,** prepared by editorial intern Kuldarshan Padda, with the assistance of **Inc.** senior editor Bradford W. Ketchum, Jr. The study included North Dakota as one of ten states receiving the letter grade A because of its attractiveness as a location for small companies.

The report also ranked the top ten states in each of six areas; capital resources, official commitment to small business, energy costs, tax burdens, labor, and quality of life. North Dakota ranked first in the labor category and seventh for its low taxes. The state also received top billing for "quality of life," although its report card A reflected a combination of only five areas since quality of life factors were deemed too subjective to include.

To assign a ranking and letter grade for each of the 50 states, a computer was programmed to weigh and compare more than 50 factors from a variety of data sources. Certain elements such as availability of venture capital were more weighted because of their relative importance to smaller businesses. Not as much emphasis was given to unions in the labor force because of their lesser affect on small enterprises.

The author claimed North Dakota and Idaho earned their As for similar reasons: excellent labor conditions, light tax burdens, and very high rates of small business activity (number of small firms per 1,000 population). While **Inc.** plans to study in the next few months what the executive and legislative branches of state government are now doing to improve conditions for small businesses, past experience in both states showed "weak official commitment to small business on state programs and limited capital available to home-state enterprises."

North Dakota's top labor ranking was attributed to its wage rates, low labor union strength, and the supply of skilled workers for both blue and white collar jobs. On the other hand, a vulnerable spot for the state is its tight labor pool, with an unemployment rate that is one of the country's lowest.



In evaluating the states on tax policies, **Inc.** studied the tax burden per capita, recent trends in that area, and the future trend based on state debt. Unemployment-related taxes were included because of their importance to the cost of operating a business. North Dakota was cited in the top ten in this category for a low tax rate, small debt, and because its taxes rose the least in the nation from 1979-80.

An accurate model for analyzing quality of life factors was difficult to develop, the report states, since personal preferences in lifestyle come into play for different locales. **Inc.'s** computer therefore selected the states that were best for the lifestyles they represent, with measured factors ranging from cultural elements such as orchestra and opera, to recreational facilities, cost of living, and quality of health care and education. The number one status given to North Dakota was based on the state having the lowest crime rate in the country, long life expectancy, and lower cost of living.

All things considered, the researchers found that the decision on where to locate a small business remains highly subjective in nature. It is often based on where the founding owner lives, the proximity of a particular business to its markets and distribution companies, and the owner's lifestyle. Nevertheless, the attractiveness of a state's business climate does become significant for those companies expanding and looking for a good spot to set up a new plant or branch office.

From the viewpoint of government officials concerned with their state's performance, the report concluded, the best measure of a good business climate is the success and growth of those small firms already established in the state.

Facts, Not Conclusions, Needed To Check Benefits

North Dakota winters have a way of taking their toll in the seasonal layoff of workers. It is obvious, then, that the number of people filing for unemployment benefits would increase sharply during this time of year. If past trends continue to hold true, job insurance claims filed in January 1982 could rise by 230 percent over figures for this past July.

So why would this be of any timely interest to employers? With the height of the claim season upon them, job insurance staff feel it is extremely important that employers as well as claimants provide them with complete information on why the worker is unemployed. It is a matter of having both sides of the story when determining whether the person is truly eligible for benefits, according to Don Hertz of Job Service North Dakota.

Unfortunately, many employers may not realize the value of disclosing why an employee is no longer working for them, says Hertz, who is chief of benefits for the Job Insurance Division. Employers put themselves at a disadvantage when they fail to submit all the facts surrounding the worker's job termination, or worse yet, do not respond at all to a job insurance request for information.

When someone first files a claim, Hertz explained, a statement is taken from them on the reasons why they are unemployed. The same day a notice is sent to the last employer informing them of the claim, and asking them to verify the reasons for unemployment. If the employer doesn't respond to the notice within seven days, the decision on benefit eligibility is based on the claimant's statement.

"The vast majority of people who apply are eligible, because they are unemployed for such reasons as lack of work," stated Hertz. "But sometimes they may have voluntarily quit their job without good cause, or were fired for misconduct. It is especially crucial in these cases for the employer to give us a full explanation of the job termination."

"Facts, rather than conclusions, are what we need," Hertz said. "Frequently, employers will simply respond to the notice by saying, 'I fired him because he was no good' or 'She just quit for no reason.' By giving us accurate details on why the person quit or was discharged, and if the employer had tried to resolve the problem, we can base our decisions on a more complete picture of the situation."

A computerized claimant record is reviewed by a job insurance claims specialist to determine benefit eligibility.

An example of where accurate disclosure can make the deciding difference is the claimant who voluntarily quits. By law, if the worker left their job because of a good cause that can be attributed to the employer, they may have a right to benefits. Good reasons for quitting can include changes in the hiring agreement considered unreasonable. Also, difficult working conditions which the employer has control over and are hazardous to the wroker's emotional or physical well-being, may also be a reason to quit.

On the other hand, the employer may have a good reason to dispute the claim if he can establish that changes in the worker's duties were justified, that the employee was notified and didn't try to resolve the problem, or that revisions in employment conditions were reasonable and customary in that occupation or business.

"The main point," emphasized Hertz, "is that the employer must be able to document his reasons, and if possible, submit evidence such as copies of job descriptions, time cards, or written disciplinary warnings."

All is not lost, however, if new facts come to light after the decision is made to pay or deny benefits. Either the claimant or employer can appeal within 12 days of the determination.

"Attendance at the appeal hearing is important," said Dennis Clark, an appeals referee with Job Service. "Information by the claimant and worker is taken under oaths at this time, and therefore is given more weight in the final decision."

"If a problem arises where the employer cannot make the hearing, they should contact the local Job Service office where the meeting is scheduled, or the appeals staff at the state Job Service office in Bismarck," he said. "Should they decide to send another person to represent them, it must be someone directly involved who can attest to the fact that the records are accurate, and who is not relying on secondhand information."

The gist of the whole issue is not just a matter of the legal procedures, but fair play, says Hertz. "Workers are given assistance at the time they file a claim, but we also feel responsible for helping employers protect their rights. If we are to interpret job insurance laws fairly, we have to get all the information available from everyone concerned."

Last month I printed a chart comparing the amount of time a worker would have to work to purchase various items in 1950 and in 1980. This month I thought it might be interesting to run a comparison of the dollar cost for a similar list of consumer goods.

ITEM	1969	1979	1989
Single Family House	$28,000.00	$68,300.00	$158,748.00
Maximum Annual Social Security Deduction (Based on Present Law)	374.40	1,404.00	3,561.00
Gallon of Regular Gas	.33	1.00	3.02
Loaf of White Bread	.23	.42	.84
Quart of Milk	.31	.51	.93
Apples Per Pound	.15	.44	1.02
Tube of Toothpaste	.95	1.45	2.21
Pound of Coffee	.76	3.27	14.07
Hospital Room for One Day	46.10	131.38	374.43
Car Tune-Up	25.61	52.09	105.74
Candy Bar	.05	.15	.70
Mustang 2-Door Sedan	2,982.00	4,793.0	7,669.00
Comic Book	.15	.40	1.06
Record Album	3.99	5.98	8.97
Man's Necktie	3.00	7.50	18.75

Marta Mooney, a management professor at Fordham University, did an interesting study of 283 one-earner and two-earner families.

The male in a two-earner family receives about 20 percent less earnings than husbands with a nonworking wife. . .men with working wives tend to work fewer hours, take longer or more frequent vacations, and change jobs more often than husbands whose wives don't work.

The white-collar men in the two-earner group, who were sampled over a five year period, reduced their average annual work hours by 12 to 14 percent. Mooney says reducing working hours in this way is economically and behaviorally predictable. . .the greater income security provided by a working wife allows men in two-earner families to feel less financial pressure and to place more emphasis on nonfinancial goals. . .like more leisure time.

However, husbands in two-earner families spend significantly more time doing housework than men whose wives do not work. . .blue collar husbands of working wives clocked the highest average for hours of housework. . .4.5 hours per week.

According to the study, 33 percent of the men between 29 and 38 years old whose wives had jobs were considering changing jobs. . .only 10 percent of the men whose wives did not work were considering a job change.

"The two-earner family men who are expected to exhibit the most interest in shorter hours are also the ones that are best positioned to accept a cut in salary in exchange for the opportunity to implement their preferences," Mooney says. She advices that organizations whose supervisory or management employees have become 'stale' from too much time on the job could maintain productivity. . .or even increase it. . .by reducing the hours these men work. This might create promotion opportunities in the upper end of an organization's hierarchy.

PRAIRIE EMPLOYER REVIEW

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JOB SERVICE North Dakota

Rate Notice Now In the Mail to Employers

North Dakota employers are getting an earlier notice this year of what their job insurance tax rate will be in 1982. The notice is now being sent in December because of a law change recommended by the Advisory Council for Job Service North Dakota, and passed by the 1981 State Legislature.

The rate is used in figuring the taxes an employer contributes to their reserve fund for paying unemployment benefits to former workers. "We are trying to give employers more advance notice to help them plan their quarterly payroll taxes," stated Bill Brintnell, chief of Tax for the Job Insurance Division of Job Service.

"Any business with a cost accounting system needs to know what to build into their cost rates, and have adequate time to adjust their payroll system," Brintnell said. "This is especially true for employers who have computers and need time to rewrite their programs. Also, it permits contractors to develop a proper cost figure when bidding contracts."

Since the rate is based on the employer's reserve ratio, it is often termed an experience rate. According to Brintnell, the reserve ratio is computed by subtracting the benefits charged from the contributions paid to the firm's account in the past year, and dividing this by a three-year average of their taxable payrolls. The ratio is then plugged into a tax rate schedule defined by law.

In 1982, tax rates will range from 0.5 percent to 5 percent of the first $9,240 in wages paid to each worker during the calendar year. "The less turnover or more stable an employer's employment, the more favorable is their resulting tax rate," explained Brintnell. "If they want to acquire a lower tax rate, employers are permitted to voluntarily add more taxes to their reserve fund."

For new employers with no experience rating, a recent law revision allows them to pay a rate equal to their industry's tax average. "This permits a lower rate than previously prescribed, so it encourages starting businesses," stated Brintnell. "They may need all their available capital just to get on their feet."

While the notice explains how the rate is computed, employers with further questions can contact Brintnell at the state Job Insurance Division in Bismarck at 701-224-2814.

For Better Pay, Women Workers May Have To Aim For The Top

According to a 1978 national survey, women workers in North Dakota earned only 56 percent of what men workers earned. This figure represented a trend for women wage earners nationally, paying women a high of 78.4 percent of wages men earned in the District of Columbia, to a low of 49.8 percent in Louisiana. In 1976, of the 148,235 families in North Dakota, 10,000 were headed by women whose average yearly income barely reached $5,600. In families headed by men, average yearly income topped out at just over $9,000. Little has changed for women wage earners.

But these figures do not necessarily represent unequal pay for equal work. They point to a need for women everywhere, according to Thelma Kandel in **What Women Earn**, to "aim for the better-paying jobs if they want to earn higher incomes." Women must rethink their career goals to include jobs with high pay potential, rather than seek work only as a "second" family income, if they intend to compete realistically for high paying jobs.

The Professional Woman in North Dakota, a 1979 report from the North Dakota Commission on the Status of Women, pointed out that the gap between professional women and men stretched wide. In municipal government, of 355 city mayors, only eight were women. They held 90 of the 1,414 alderman positions. County and state government figures showed similar disparities.

In education, figures showed men ahead of women in the number of professional positions at all levels except elementary teachers. But even there, a ratio of three to one women over men in the classroom was dwarfed by a one to seven ratio of women to men in elementary administration positions, the higher-paying jobs. In colleges and universities, of the 1,295 full-time faculty, only 21 percent were women — 271. Higher education had no women presidents or vice-presidents at that time.

Women fared little better in state politics. Of 139 positions in both houses of the legislature, women held the same ratio they did in 1976 — one to nine.

All but 15 of the 52 acute care hospitals were administered by men, and 10 of these were nuns in Catholic hospitals. In related areas, the report showed 27 women physicians out of 629, 3 women dentists out of 280, and 132 women pharmacists out of 615.

In law enforcement, though more women were seen on the beat or in patrol cars, the number of women in management positions was paltry.

Women positions as publisher or manager of the 101 newspapers in the state were down 3 from the 1976 figure of 7. And in other media, the figures showed little change. Of 173 top management positions in radio broadcasting, the ratio was 19 men and 1 woman. Women filled only 4 of the 55 management positions in television.

According to Thelma Kandel's book, only four/fifths of 1 percent of the women working in America earn more than $25,000 a year compared to 12 percent of men workers. But the "big" money jobs are out there.

In the next decade, the higher-paying jobs with the greatest percentage of projected demand over 1980 are in data processing, engineering, and accounting and finance.

The projected demand for data base managers and programmers in 1990 shows an increase from 50 percent to 75 percent over 1980. These jobs will have salary ranges between $33,000 and $67,000 by then.

Engineers in energy, electronics, and mechanics show similar gains in demand. Paying from $33,000 to $60,000 by 1990, the demand for these positions will expand from 47 percent to 57 percent over the 1980 demand.

A 38 percent to 44 percent increase in demand over 1980 will occur for cost accountants by 1990. The salaries for these positions will range between $35,000 and $115,000 by that time.

The high-paying jobs are there. To get them takes planning, hard work, but most of all it takes vision — that aim for the top some women may not have thought an option before.

U.S. CONSUMER PRICE INDEX
ALL URBAN CONSUMERS

(1967 = 100)	Annual Average 1980	Oct. 1981	Sept. 1981	Oct. 1980	Percent Change from Sept. 1981	Percent Change from Oct. 1980	Percent Change Projected on Annual Basis
All Items	246.8	279.9	279.3	253.9	0.2	10.2	2.4
Food & Beverage	248.0	270.3	270.7	255.5	−0.1	5.8	−1.2
Housing	263.3	303.5	303.7	271.1	−0.1	12.0	−1.2
Apparel and Upkeep	178.4	191.5	190.7	183.9	0.4	4.1	4.9
Transportation	249.7	287.2	285.2	256.1	0.7	12.1	8.7
Medical Care	265.9	304.8	301.7	272.8	1.0	11.7	12.7
Entertainment	205.3	225.5	224.0	210.9	0.7	6.9	8.7

CIVILIAN LABOR FORCE

	Oct. 1981	Sept. 1981	Oct. 1980	Percent Change from Sept. 1981	Percent Change from Oct. 1980
UNITED STATES (In Thousands)					
Labor Force	106,737	106,236	105,167	0.5	1.5
Employment	98,217	98,270	97,206	-0.1	1.0
Unemployment	8,520	7,966	7,961	7.0	7.0
Unemployment Rate	8.0	7.5	7.6		
NORTH DAKOTA					
Labor Force	334,170	343,800	330,910	-2.8	1.0
Employment	322,500	331,470	318,080	-2.7	1.4
Unemployment	11,670	12,330	12,830	-5.4	-9.0
Unemployment Rate	3.5	3.6	3.9		
FARGO-MOORHEAD SMSA					
Labor Force	74,030	73,110	73,960	1.3	0.1
Employment	71,410	70,220	71,110	1.7	0.4
Unemployment	2,620	2,890	2,850	-9.3	-8.1
Unemployment Rate	3.5	4.0	3.9		
GRAND FORKS SMSA					
Labor Force	44,320	42,750	44,260	3.7	0.1
Employment	42,560	40,820	42,490	4.3	0.2
Unemployment	1,760	1,930	1,770	-8.8	-0.6
Unemployment Rate	4.0	4.5	4.0		

U.S. data seasonally adjusted; other data not seasonally adjusted.

NONFARM WAGE AND SALARY EMPLOYMENT

	Oct. 1981	Sept. 1981	Oct. 1980	Percent Change from Sept. 1981	Percent Change from Oct. 1980
FARGO-MOORHEAD SMSA WAGE AND SALARY EMPLOYMENT					
TOTAL	**64,170**	**61,790**	**63,740**	**3.9**	**0.7**
Construction and Mining	3,930	3,970	4,320	-1.0	-9.0
Manufacturing	4,870	4,140	5,070	17.6	-3.9
Durable Goods	2,000	1,990	2,150	0.5	-7.0
Nondurable Goods	2,870	2,150	2,920	33.5	-1.7
Food and Kindred Products	2,140	1,430	2,180	49.7	-1.8
Other Nondurable Goods	730	720	740	1.4	-1.4
Transportation, Comm. and Public Utilities	3,920	3,860	4,050	1.6	-3.2
Wholesale Trade	6,310	6,360	6,210	-0.8	1.6
Retail Trade	13,020	12,930	12,830	0.7	1.5
Finance, Insurance, and Real Estate	3,750	3,760	3,740	-0.3	0.3
Services	14,760	13,930	14,210	6.0	3.9
Government	13,610	12,840	13,310	6.0	2.3
Federal	2,080	2,120	2,130	-1.9	-2.3
State and Local	11,530	10,720	11,180	7.6	3.1
GRAND FORKS SMSA WAGE AND SALARY EMPLOYMENT					
TOTAL	**38,760**	**36,420**	**38,560**	**6.4**	**0.5**
Construction and Mining	2,070	2,120	2,160	-2.4	-4.2
Manufacturing	3,070	1,730	3,070	77.5	-0-
Transportation, Comm. and Public Utilities	2,830	2,630	2,910	7.6	-2.7
Wholesale Trade	2,220	2,220	2,180	-0-	1.8
Retail Trade	8,060	8,190	8,240	-1.6	-2.2
Finance, Insurance, and Real Estate	1,610	1,600	1,590	0.6	1.3
Services	7,640	7,620	7,450	0.3	2.6
Government	11,260	10,310	10,960	9.2	2.7

MANUFACTURING HOURS AND EARNINGS

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct. 1981	Sept. 1981	Oct. 1980	Oct. 1981	Sept. 1981	Oct. 1980	Oct. 1981	Sept. 1981	Oct. 1980
United States									
Total Manufacturing	321.53	321.53	298.10	39.5	39.5	39.8	8.14	8.14	7.49
Durable	345.86	344.60	323.21	39.8	39.7	40.3	8.69	8.68	8.02
Nondurable	285.87	288.17	262.75	39.0	39.1	39.1	7.33	7.37	6.72
Food & Kindred	298.65	301.29	275.92	39.4	39.8	39.7	7.58	7.57	6.95
Printing & Publishing	312.48	314.63	288.30	37.2	37.5	37.2	8.40	8.39	7.75
North Dakota									
Total Manufacturing	276.75	270.03	259.96	39.2	37.4	38.8	7.06	7.22	6.70
Durable	293.66	278.86	266.17	39.9	38.2	38.8	7.36	7.30	6.86
Nondurable	263.25	261.67	253.87	38.6	36.7	38.7	6.82	7.13	6.56
Food & Kindred	271.58	267.67	264.06	41.4	37.7	40.5	6.56	7.10	6.52
Printing & Publishing	225.96	226.24	211.15	32.7	32.6	33.2	6.91	6.94	6.36
Fargo-Moorhead SMSA									
Total Manufacturing	282.90	288.04	293.13	38.7	37.8	40.1	7.31	7.62	7.31
Durable	283.88	291.08	300.30	37.6	38.1	38.5	7.55	7.64	7.80
Nondurable	282.50	285.76	287.45	39.4	37.6	41.3	7.17	7.60	6.96

ESTIMATED LABOR TURNOVER

(per hundred employees)

Accession Rates

	Total			New Hires			Recalls		
	Oct. 1981	Sept. 1981	Oct. 1980	Oct. 1981	Sept. 1981	Oct. 1980	Oct. 1981	Sept. 1981	Oct. 1980
North Dakota									
Mining	7.9	9.0	5.4	6.9	8.3	3.7	0.6	0.5	0.7
Manufacturing	8.9	8.3	8.6	6.2	5.4	2.9	1.4	2.7	5.6
Fargo-Moorhead SMSA									
Manufacturing	11.0	6.2	12.8	3.9	5.0	5.1	6.9	0.3	7.4

Separation Rates

	Total			Quits			Layoffs		
	Oct. 1981	Sept. 1981	Oct. 1980	Oct. 1981	Sept. 1981	Oct. 1980	Oct. 1981	Sept. 1981	Oct. 1980
North Dakota									
Mining	8.3	10.5	2.3	6.3	8.6	1.9	0.1	0.2	0.0
Manufacturing	4.6	5.4	2.7	2.3	3.3	1.4	1.5	1.5	0.9
Fargo-Moorhead SMSA									
Manufacturing	3.4	5.3	3.1	1.3	2.9	1.6	1.1	1.6	0.6

NORTH DAKOTA
NONFARM WAGE AND SALARY EMPLOYMENT

	Oct. 1981	Sept. 1981	Oct. 1980	Percent Change from Sept. 1981	Percent Change from Oct. 1980
TOTAL	**254,890**	**251,190**	**250,250**	**1.5**	**1.9**
MINING	**10,940**	**10,790**	**8,910**	**1.4**	**22.8**
Coal	1,270	1,270	1,190	0	6.7
Crude Petroleum and Natural Gas	9,310	9,160	7,360	1.6	26.5
Other Mining	360	360	360	0	0
CONSTRUCTION	**18,130**	**18,020**	**17,900**	**0.6**	**1.3**
Building Construction	4,310	4,320	4,460	-0.2	-3.4
Street, Highway and Heavy Construction	6,170	6,010	5,290	2.7	16.6
Special Trade Construction	7,650	7,690	8,150	-0.5	-6.1
MANUFACTURING	**16,020**	**14,800**	**15,610**	**8.2**	**2.6**
Durable Goods	7,150	7,140	7,190	0.1	-0.6
Stone, Clay and Glass	940	980	1,060	-4.1	-11.3
Primary and Fabricated Metals	700	680	680	2.9	2.9
Machinery and Transportation Equipment	4,600	4,590	4,570	0.2	0.7
Other Durable Goods	910	890	880	2.2	3.4
Nondurable Goods	8,870	7,660	8,420	15.8	5.3
Food and Kindred Products	4,980	3,820	4,680	30.4	6.4
Dairy Products	860	890	900	-3.4	-4.4
Food Specialties, Sugar and Confectionery Products	2,350	1,190	2,030	97.5	15.8
Bakery Products	430	430	430	0	0
Other Food and Kindred Products	1,340	1,310	1,320	2.3	1.5
Printing and Publishing	2,180	2,180	2,160	0	0.9
Other Nondurable Goods	1,710	1,660	1,580	3.0	8.2
TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES	**17,260**	**16,920**	**17,420**	**2.0**	**-0.9**
Transportation	9,530	9,120	9,570	4.5	-0.4
Railroads	3,400	3,340	3,500	1.8	-2.9
Trucking and Warehousing	4,660	4,340	4,640	7.4	0.4
Other Transportation	1,470	1,440	1,430	2.1	2.8
Communications	3,730	3,760	3,910	-0.8	-4.6
Public Utilities	4,000	4,040	3,940	-1.0	1.5
WHOLESALE TRADE	**20,350**	**20,430**	**20,270**	**-0.4**	**0.4**
Durable Goods	10,370	10,480	10,440	-1.0	-0.7
Nondurable Goods	9,980	9,950	9,830	0.3	1.5
RETAIL TRADE	**46,750**	**46,880**	**47,180**	**-0.3**	**-0.9**
General Merchandise	6,290	6,060	6,220	3.8	1.1
Food Stores	6,360	6,390	6,380	-0.5	-0.3
Automotive Dealers and Service Stations	6,270	6,300	6,510	-0.5	-3.7
Apparel and Accessory Stores	2,940	2,920	2,990	0.7	-1.7
Other Retail	24,890	25,210	25,080	-1.3	-0.8
FINANCE, INSURANCE, AND REAL ESTATE	**11,920**	**11,970**	**11,440**	**-0.4**	**4.2**
Finance	6,480	6,480	6,130	0	5.7
Banking	4,330	4,350	4,170	-0.5	3.8
Other Finance	2,150	2,130	1,960	0.9	9.7
Insurance	3,490	3,530	3,440	-1.1	1.5
Real Estate	1,950	1,960	1,870	-0.5	4.3
SERVICES	**51,800**	**51,760**	**49,840**	**0.1**	**3.9**
Lodging	4,890	4,870	4,560	0.4	7.2
Nursing and Personal Care	5,580	5,590	5,390	-0.2	3.5
Hospitals	12,200	12,180	11,670	0.2	4.5
Other Medical	5,000	4,990	4,770	0.2	4.8
Other Services	24,130	24,130	23,450	0	2.9
GOVERNMENT	**61,720**	**59,620**	**61,680**	**3.5**	**0.1**
Federal Government	9,310	9,330	9,660	-0.2	-3.6
State Government	17,650	16,100	17,290	9.6	2.1
Educational Services	11,540	9,790	11,220	17.9	2.9
Other State Government	6,110	6,310	6,070	-3.2	0.7
Local Government	34,760	34,190	34,730	1.7	0.1
Educational Services	17,270	16,310	16,840	5.9	2.6
Other Local Government	17,490	17,880	17,890	-2.2	-2.2

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PRODUCER PRICE INDEX UNITED STATES AVERAGE

(1967 = 100)	Annual Average 1980	Oct. 1981	Sept. 1981	Oct. 1980	Percentage Change from Sept. 1981	Percentage Change from Oct. 1980
All Commodities	268.6	296.0	295.5	277.0	0.2	6.9
Farm Products and Processed Foods and Feeds	244.6	246.1	250.0	258.8	-1.6	-4.9
Industrial Commodities	274.5	308.8	307.2	281.2	0.5	9.8

GLOSSARY OF TERMS

Civilian Labor Force—number of persons 16 years and older defined as employed or unemployed, excluding members of the Armed Forces.

Consumer Price Index (CPI)—a measure of the average change in prices over a period of time in a fixed market basket of goods and services. Changes are usually expressed in percentages. The following example illustrates the method used to calculate the percentage change using 211.5 as the "current index" and 209.1 as the "previous index":

Current index	211.5
Less previous index	209.1
Equals	2.4
Divide by the previous index	209.1
Equals	.011
Results multiplied by one hundred	.011x100
Equals percentage change	1.1

Covered Employment—employment that falls under coverage of the North Dakota Unemployment Compensation Law. At the present time only agriculture, the self-employed, students working for educational institutions, religious organizations, fully commissioned salesmen, and elected and appointed officials have significant numbers of non-covered workers.

Employed—those persons working for pay or profit during a week, or unpaid family workers working 15 hours or more during a week. Also included are those who, although not working, had some job attachment and were **not** looking for work. This involves persons temporarily absent from a job due to illness, bad weather, vacation or labor-management dispute, whether or not they were in a pay status during their time off.

Insured Unemployment—a count of persons who have filed claims for state job insurance benefits. An accurate comparison of data for the insured unemployed cannot be made if one period of time is prior to July 1, 1979, and the second period is after that date. This is due to the change in eligibility requirements mandated by the state legislature effective July 1, 1979.

Nonfarm Wage and Salary Employment-Establishment Data—refers to the number of jobs held rather than the number of people employed.

"p"—preliminary estimates subject to revision.

Producer Price Index (PPI)—measures average changes in prices received in primary markets of the United States by commodity producers in all stages of processing. These changes are usually expressed in percentages. The method of calculation is the same as used for the Consumer Price Index (See item 2).

Seasonally Adjusted Labor Force Series—to assist in evaluating the labor force, recurrent yearly employment and unemployment movements have been isolated and removed by the Bureau of Labor Statistics though a seasonal factor method.

Standard Metropolitan Statistical Area (SMSA)—(a) an area designated by the Office of Management and Budget with a central city of at least 50,000 inhabitants; or (b) a central city of at least 25,000 inhabitants but with a minimum of at least 50,000 when combined with adjacent populated areas, provided the county or counties in which the city and adjacent areas are located have a population of at least 75,000.

Unemployment—the number of persons who for an entire week did not work at all, were able to work and available for work, and (1) were looking for work or (2) would have looked for work except that (a) they were waiting to return to a job from which they had been laid off; or (b) they were waiting to report to a new wage and salary job scheduled to start within the following 30 days (and were not in school during the week).

Unemployment Rate—the number of unemployed expressed as a percent of the civilian labor force.

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Prairie Employer Review

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Investigator and Mediator: Dual Roles for State Labor Office

A worker advocate. . .an employer watchdog. . .a labor relations mediator. These are some of the hats worn by Orville Hagen, commissioner of the State Department of Labor, and his five staff. In a recent interview, Hagen talked about the agency and his belief that many people have only a vague idea of the services it handles.

As labor commissioner for the past 15 years, Hagen has seen the department's duel role as a labor law enforcer and conciliator expand. The growing number of businesses and workers in the state has no doubt contributed to its responsibilities. At the same time, recent state and federal law changes in such areas as employment discrimination have also made a difference.

"We don't make laws and we seldom promote legislation unless it helps us enforce existing laws," Hagen stated. "In fact, we try to keep a tight rein on regulations — the only ones we issue are on the state minimum wage. It's tough enough to run a business these days, so if we can administer the laws without a lot of rules and regulations, we'd rather."

Enforcing minimum wage, overtime, and child labor laws, and settling worker wage complaints are a major portion of the department's work. While these frequently involve serving as an arbitrator between employers and workers, the agency also has the specific power to mediate labor disputes when requested, and negotiate discrimination complaints under a work-sharing agreement with the federal Equal Employment Opportunity Commission.

Other duties include accepting notices from labor unions on expired bargaining agreements, licensing private employment agencies, and promoting the overall objective, according to Hagen, of "improving the working and living conditions of employees, and advancing their opportunities for profitable employment while maintaining fair consideration of the employer."

Arbitrating wage disputes between workers and employers is an important role of the State Labor Department, says Commissioner Hagen.

Business owners probably are most familiar with the labor office's activities in wage collection and wage and hour inspection. To ensure employers are complying with the state wage and hour law, staff make inspections of business locations and payroll records. If minimum wage or overtime violations are found, they are reported to the employer. When necessary, pay is collected and paid to employees.

Since staff and budget are limited, stated Hagen, only a small percentage of on-site inspections are made each year, and are usually initiated by worker complaints. During the 1979-81 biennium, the department inspected 1,051 different employers, and collected $52,320.66 on behalf of 351 workers because of pay violations.

Wage collection involves claims filed with the agency in such instances as the worker who quits or was discharged by the employer, and feels unpaid wages or compensation are still due. "If the wage claim is disputed after we have tried to settle it by initial contacts with the worker or employer, an informal hearing is set up," stated Hagen, "The hearing may be held in our office in the state capitol, or the county seat nearest the worker and employer.

"Each is given the opportunity to present records, testimony, and witnesses to resolve the issue," continued Hagen. "If the wage claim is considered valid as a result of the

(Continued on page 4)

To Quote

An Interview With
Bill Brintnell, Chief of Taxes
for the Job Insurance Division

Q. Most North Dakota employers have received a notice explaining their job insurance tax rates for this year. Many, no doubt, have questions about the program and how their taxes are used to pay benefits. Since our state's unemployment rate is considered low in comparison to many other states, why would an employer's tax rate go up?

A. If an individual employer's tax rate increased, in all probability it reflects his own unemployment experience, although in the last three years there has been an overall increase in tax rates for all employers. This resulted because the tax income going into the job insurance trust fund was not keeping pace with benefits paid out to unemployed workers.

Although our unemployment rate has been more favorable than that of some highly industrialized states, the trust fund balance was declining. For this reason, the state legislature adopted a different tax rate schedule four years ago that caused a slight increase in taxes.

Q. Is the unemployed worker's most recent employer responsible for all of the benefits paid out?

A. This is a common misunderstanding. A number of employers feel that the employer who has created the unemployment should be responsible for all of the cost. The law, however, provides that all wages in the base period, which is roughly a year and a half, will be used to determine a person's benefits. Based on these wages, all benefits are prorated back to each employer in the period, unless it is determined that a specific employer should not be charged.

Q. When is an employer not charged?

A. When a person left their employment through no fault of the employer, and that employer informs us of this after receiving a notice of the individual's claim, we can determine that benefits should not be charged against the employer's tax account.

Q. Can an employer's tax rate change if unemployment claims have not been charged to their account?

A. Two factors determine what the employer's rate will be, based upon the tax reserve in their account, or the reserve ratio. I usually explain to an employer that while all taxes go into a general trust fund, we keep a regular bookkeeping account of each employer. All the employer's tax dollars apply to that account, and all benefits charged come from that account. The difference is the reserve, and the tax rate is based on the ratio of that reserve to their average payroll for the last three years.

Q. How does the average payroll make a diffarence in computing the rate?

A. If there are more people on the payroll, and increased wages to each person qualifies that person for more benefits, the potential liability for benefits to that account is greater. For this reason, the employer needs a larger reserve on hand in the event former workers apply for job insurance.

However, this potential liability isn't necessarily a threat to the employer's account. The greater the account reserve, in ratio to their payroll, the lower or more favorable the tax rate. If the reserve rises, but the percentage of claims does not, the employer's rate would drop.

Q. Isn't there some confusion on how an employer's experience rate, based on this ratio, results in the final tax rate they pay?

A. The overall tax rate schedule contains seven different rate columns. It depends on the balance of the trust fund as to which column all employers are covered under during the year. The more favorable the trust fund, the lower the overall rates for all employers. The weaker the trust fund, the higher the rates.

In 1982, employers are under a column of tax rates ranging from 0.5 percent to .5 percent, with individual experience rates determining the final tax rate each employer pays within this column.

Q. What about new employers?

A. The last legislative session adopted a provision permitting new accounts not eligible for an experience rate to be assigned their industry's average rate, providing their rate was not less than 1 percent or greater than 3 percent. If it's less than 1 percent, the rate of 1 percent is assigned, and the standard rate of 5 percent is assigned if the rate is greater than 3 percent.

Q. Do many employers question why a business can't pay taxes based simply on their own business experience, rather than a rate reflecting the experience of other industries, such as construction, with greater unemployment?

A. Under the experience rate program, rates do reflect upon those employers who have more favorable experience. Those who have a poor experience, pay a much higher rate than those with more stable employment. As an insurance program, the costs have to be spread throughout the universe of employers. In a health insurance program, for instance, you can't take the total cost and attribute it only to those who are now ill. Everyone accepts the fact that there is a basic charge they have to pay.

Also, the dollars that unemployment benefits pour into the community helps all employers by stabilizing the economy. For example, the local store owner who hasn't laid off any workers, could see their business seriously affected if unemployed workers didn't have benefit checks to come in and buy food and clothes.

Q. What is being done to make sure people receiving benefits are really looking for work?

A. Each week a person files a claim for benefits, they must certify just what they have done to relieve their unemployment – what they've done to search for work. They also have to register at the local Job Service office and periodically explain what their plans for reemployment are. In addition, Job Service staff go back and verify the contacts that a claimant has made to insure that an earnest effort is being made to find work.

to accept any type of work in order to get off of benefits?

A. One of the purposes of unemployment insurance is to save potential job skills for the area in which they were earned. To make a person immediately take a different job or go to a different area as soon as they become unem-

(Continued on page 3)